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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Alfred D. Stedman, Assistant Administrator
Director, Division of Information

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TO FARM JOURNAL EDITORS:

The following information is for your use.

Dewitt C. Wigg *Francis A. Flood*

Dewitt C. Wigg and Francis A. Flood,
Specialists in Information.

POLICY ON LAND WITHDRAWN FROM CORN IS AFFIRMED

That land held out of production of corn for grain under the 1935 corn-hog contract may be planted without limitation to any other crop than corn, but not to corn for use as fodder or other forage purposes, is reaffirmed by A. G. Black, chief of the Administration's corn-hog section. This statement was made with respect to requests from the northwestern corn belt area that the 1935 contract be modified to permit the planting of corn for non-grain purposes in excess of the acreage permitted under the contract.

"This question of modifying the 1935 corn-hog contract has been carefully considered," Mr. Black said. "It appears that further relaxation would jeopardize the intended effect of the program, is not essentially necessary, would complicate compliance with the contract, and is not favored by the large majority of corn-hog producers. The minimum acreage adjustment requirement in the 1935 contract of 10 percent of the 1932-1933 base average acreage gives farmers an opportunity to produce an ample margin over expected feed needs," Mr. Black pointed out. "It must be kept in mind that with about the same general participation in the corn-hog program in 1935 as in 1934, farmers of the United States may plant in the neighborhood of 95,000,000 acres to corn this coming spring. With anything like normal yields, this planted area should take care of all needs and leave a margin of not less than 200,000,000 bushels for rebuilding feed reserves. A liberal margin over requirements is desirable, of course, to assure adequate reserves following the recent drought, but indiscriminate planting of corn, even for other purposes than grain, would tend to produce a really burdensome surplus of corn.

"The serious feed situation that will exist in the drought areas during the next five or six months and the consequent need for minimum restriction on the planting of early-maturing emergency crops is recognized in the 1935 corn-hog contract as it now stands. Further relaxation, therefore, is not essentially necessary. Contract signers in 1935 may put in any desired acreage of pasture, hay or feed grain crops, except as they may be limited by other commodity contracts. This privilege is of more importance to drought areas than any other thing.

Planting of early-maturing feed crops other than corn will provide adequate new feed supplies by mid-year. In most cases, forage crops will produce a higher quality feed than fodder corn, will involve less labor in production and, if leguminous, will be more beneficial for the land. The lifting of restriction on the use of non-corn land this year will encourage the prompt reestablishment of hay and pasture stands destroyed by the drought last summer."

The early planting of several crops other than corn for forage purposes also will offer the maximum protection against the possible development of unfavorable local weather later in the season, says Mr. Black. Corn, the last of the major crops to mature, is seriously affected by adverse weather conditions and would not be of greatest value in meeting feed and pasture requirements at the forefront of the current season, he pointed out.

"In connection with the seeding of emergency crops," Mr. Black said, "the Agricultural Adjustment Administration, in cooperation with other Governmental agencies, will continue efforts to make available to drought areas an adequate volume of suitable forage crop seeds for planting on the non-corn land. Local supplies of farm seeds are short in some sections. The greatest shortage exists in timothy, alsike clover and red clover. For the country as a whole, however, the available seed supply appears to be ample for most needs. Recent reports indicate there is enough red top, lespedeza, alfalfa and sweet clover seed for planting somewhat more than the normal acreage, at moderate rates of seeding. There is an abundance of soybean seed, as the 1934 crop was the largest on record."

Another consideration which makes increased plantings of corn for fodder or other forage purposes seem inadvisable is the problem of administration and compliance, he stated. It is almost impossible to determine dates for planting corn or harvesting corn so that it will yield only fodder in all instances. Experience gained in 1934 also indicated that determination of compliance tends to be complicated and difficult when the planting of corn for any purposes in excess of the terms of the contract is permitted.

"Reports from the field indicate that the majority of corn-hog contract signers look with disfavor upon further liberalization of the new contract," said Mr. Black. "It is generally felt that unrestricted use of all land not used for the planting of corn for grain is sufficient to meet any situation. It is pointed out that if relaxation were permitted, it would inevitably have to be extended to practically all corn and hog signers. This would increase the danger of a corn surplus next fall."

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EXTENSIVE CORN-HOG SIGN-UP INDICATED

Farmer participation in the 1935 corn-hog adjustment program now is expected to be almost as extensive as it was in 1934, when more than a million corn-hog farms were placed under the contract, Dr. A. G. Black, chief of the Administration's corn-hog section, has said.

With the application sign-up campaign yet in the preliminary stages in many areas, more than 200,000 applications for the 1935 contract have already been received by local corn-hog officials, according to telegraphic reports from extension directors and field workers in nearly a score of states. Most of the applications received thus far have come from Iowa, Missouri, Indiana, South Dakota and Nebraska in the Middlewest, and from Texas, Tennessee, Arkansas, Oklahoma and Alabama in the South.

The sign-up campaign work is expected to be under way in nearly all states within the next week. County and community educational meetings, which precede the actual sign-up, and at which the farmers learn the essential facts relative to the 1935 program, are nearing completion.

The telegraphic reports indicate that the contract application sign-up in most states will be completed about the middle of March. The rate of sign-up in specific areas, however, will be determined to some extent by weather conditions.

After the applications have been received by the local-corn-hog committeemen, the contracts will be prepared for signature by the applicants. In the case of farmers who signed the 1934 contract and whose corn and hog bases in 1935 will be the same as in 1934, the production data used in the old contract will be promptly transferred to the new contract. Signing of the contract itself will then follow. It is expected that the majority of the 1935 contracts will involve such transfer of data.

In the case of producers who are new signers or whose status has been changed since signing the contract a year ago, the individual production allotments for 1935 will be determined by the local committeemen from the producers' figures and other available information. The 1935 contracts for these applicants will then be prepared.

The first adjustment payments under the 1935 contract will be made as soon as practicable after the contracts are accepted by the Secretary of Agriculture. The Second and final payment, less the producer's pro rata share of the local administrative expenses, will be due on or about January 1, 1936.

The progress of the corn-hog program in several states is indicated in the following excerpts of telegrams received from Directors of state extension work.

Alabama: "Will start sign-up meetings Feb. 11. Sign-up should be completed by April 1."

Arkansas: "Educational meetings completed. Estimate total of 15,000 signers."

Georgia: "From 3,000 to 3,500 applications expected."

Illinois: "Only few scattered applications signed to date. Anticipate approximately same number as last year."

Indiana: "Every county expected to complete sign-up by Feb. 20. Expect 90 percent of last year's signers; about same acreage under contract."

Kansas: "Sign-ups should be approximately finished on March 24."

Kentucky: "Corn-hog campaign started Feb. 1. One leader-training meeting, one county-wide and six community meetings will be held in each of approximately 90 counties. We estimate approximately same number of contracts as in 1934."

Minnesota: "County-wide educational meetings completed. Ninety thousand applications expected; expect to complete sign-up by Feb. 25."

Missouri: "Expect 100,000 signers; 90 percent of last year. Sign-ups should be approximately completed March 9."

Nebraska: "All educational meetings completed. First counties completing sign-up schedule; last counties start sign-up Feb. 11. All counties should complete sign-up by March 15."

Ohio: "Expect 50,000 total sign-up. Should be finished March 15."

Oklahoma: "Nearly 19,000 applications signed to date. Forty to forty-one thousand contracts expected to be signed this year. Sign-up should be practically finished on March 1."

South Dakota: "Nearly 13,000 applications signed; expect approximately 65,000. Majority sign-up expected by March 1, followed by appraisals and clean-up."

Tennessee: "Total sign-up of 20,000 expected. Sign-up should be completed by Feb. 28."

Texas: "Forty-two thousand applications will be signed in this state. Expect to finish sign-up by March 1."

Wisconsin: "Starting educational meetings; will hold about 300 county and community meetings. Expect to complete sign-up about March 20."

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SEED CONSERVATION PURCHASES COMPLETED

Having conserved practically the total supply of adapted seed grains meeting its standards, which are not held commercially for seed purposes, and with funds appropriated for seed conservation nearly exhausted, the Agricultural Adjustment Administration has announced that seed conservation purchases of wheat, oats, barley, and flax are completed.

Emphasis in the government program to alleviate seed shortage due to drought has now shifted to plans for rapidly completing distribution of the stocks of conserved seeds to farmers in areas of the officially designated drought territory, where a seed-deficit exists, and to methods for providing information when requested concerning available supplies of adapted seed grain in private or commercial hands. The ending of conservation purchases, however, does not discontinue the optional purchase of seed quality corn under seal as security for corn-loans, as this plan will proceed in states of the drought region until completed.

Using the \$25,000,000 made available under the emergency appropriations act for seed conservation, the Administration has acquired large stocks of adapted and superior varieties of grain seeds to prevent their dissipation through feeding, processing or mixing. Such Government stocks, as of February 5, were as follows: Wheat (hard spring), 5,590,804 bushels; durum wheat, 876,140 bushels; oats, 10,586,098 bushels; barley, 1,889,886; flax, 421,050; and sorghums, 591,050.

With the purchase activities completed, the Administration's seed stocks committee is devoting its efforts to rapid distribution of its stocks to areas in which there is a deficiency of adapted seeds. Under the distribution plan, the county drought committees have made surveys to determine locally available seed supplies and have submitted consolidated orders for seed that cannot be supplied from local sources. Surveys have indicated deficiencies of adapted seeds in North Dakota, South Dakota, Montana, Minnesota, Kansas, Nebraska, Illinois, Iowa, Missouri and Oklahoma.

The conserved seeds are being distributed to producers in officially designated drought areas, where seed deficits have been shown to exist, at flat prices based on actual cost of the seed as grain, plus handling, cleaning and storage charges.

Local elevators and seeds houses approved by the county drought committees and placed under proper bond, are distributing the government-held seed to producers on a service-charge basis and handling the receipts from sales. Over 1,500 local grain elevators in the drought territory are now under bond to act as agents for the Administration in the distribution program. Movements to final distribution points are based on allocations made to drought counties on the basis of needs as reported by county committees, with the exception of shipments to certain areas in which planting may be useless if weather conditions remain so unfavorably dry. In such cases shipments are being held up until needs can be more closely determined. All seed stocks have been carefully cleaned and graded under the supervision of the Seed Stock Committee. The large quantity of screenings resulting from the cleaning operations are being ground and sold for feed to meet the demand for feed for livestock in the drought region.

There have been many requests that these screenings be used as feed for wild birds and game in the upland areas of the Northwestern states. Administration officials have given these requests careful consideration, but find such use of the screenings inadvisable as the screenings carry a high percentage of noxious weed seeds, such as creeping jenny (bindweed), Canadian Thistle, quack grass and other highly dangerous weeds. As game conservation officials have pointed out, grinding the screenings, which would kill the weed seeds, makes them unsuitable for wild birds. No other practical way, say officials, has been found to treat weed seeds to make them safe for distribution for wild-life feed.

In connection with the program, information has been collected regarding available supplies of seed grain adapted to the drought region held privately or commercially. Thus the distribution agency is so organized that it can act as a clearing house for inquiries regarding car lot demands for seed grain adapted to the drought territory and can furnish information in regard to supplies of seed grain obtainable through regular commercial channels. Such inquiries should be addressed to the Federal Seed Procurement Service and Seed Stock Committee, 500 Flour Exchange Building, Minneapolis, Minn.

The plan for the optional purchase of quantities of seed corn, to be selected from corn sealed on farms under Commodity Credit Corporation loans, in states of the drought territory, is anticipated to conserve several hundred thousand bushels of seed corn chiefly of the 1933 crop. Reports show that optioning of cribs is well advanced in Kansas, where 23,000 bushels has been certified as being seed quality and placed under option, and in Missouri, where 34,000 bushels has been certified and optioned. In Iowa, Nebraska and Minnesota, deep snow and cold weather have delayed inspection of cribs.

Under this plan, producers having seed quality corn under seal as security for a 55-cent per bushel corn loan from the Commodity Credit Corporation, are eligible to option such corn for sale to the Government, at \$1.25 per bushel on or before May 1, 1935. Owners are being advanced 20 cents per bushel, in addition to the loan received from the Commodity Credit Corporation, in return for the option. The plan was inaugurated to encourage growers in states where seed corn is deficient, due to the drought, to hold sufficient quantities of seed quality corn for seed uses in the local community.

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1935 CONTRACTS OFFERED TO TOBACCO GROWERS NOT PREVIOUSLY SIGNED UP

County Agents in flue-cured, Burley, fire-cured and dark air-cured tobacco-producing areas have been authorized by the Agricultural Adjustment Administration to offer adjustment contracts for 1935 to those producers who did not sign contract in 1934.

Requirements for signing contracts for 1935 are exactly the same as those under which contracts were signed in 1934. The same methods of calculating the base acreage and production will be used. Rental and benefit payments will be made as provided for by the contracts for 1935.

Growers signing the contract for 1935 will be entitled to receive tax-payment warrants for their 1935 crops, in accordance with the terms of the Kerr-Smith Tobacco Act. They will not receive payments provided for by the contracts for 1934 nor tax-payment warrants for their 1934 crops.

An early closing date will be announced for the signing of contracts, as nearly all growers have already signed.

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ASSESSMENT OF DAMAGES AGAINST RICE MILLERS DISAPPROVED

Assessment of damages against the Rice City Milling Co., Inc., Crowley, La., for alleged violation of the marketing agreement for the Southern Rice Milling Industry has been disapproved in an order signed by Secretary of Agriculture Henry A. Wallace, the Agricultural Adjustment Administration has announced.

The Rice City Milling Co., Inc., appealed to the Secretary after the damages had been assessed by the marketing agreement Control Committee. The Committee, after a hearing on a complaint against the milling company, decided

that the firm/^{had} violated the schedule of minimum prices set up by the Control Committee, and assessed damages for the alleged violation.

Upon appeal to the Secretary from this decision, it has been found that sales by the milling company to the W. J. Garic Co. at prices other than those fixed by the Control Committee does not of itself constitute a violation of the marketing agreement, as the Committee had no authority under the agreement to set up a schedule of minimum prices.

The order said, however, that it is not clear from the record in the case whether the milling company may have violated other terms of the agreement relating to prices. Therefore, the order signed by the Secretary does not prejudice the right of the Control Committee to hold further hearings to determine if the milling company may have violated price provisions of the agreement.

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ALLEGED VIOLATIONS OF KANSAS CITY, KANSAS, MILK LICENSE

Orders to show cause why their cases should not be turned over to the Department of Justice, with recommendation that the Attorney-General take action in the matter of alleged violations of the existing milk license for the Kansas City, Kansas, sales area, have been issued to Greenhill's Dairy Farm, John L. Bridges, trading as Bridges Creamery, and the Country Club Dairy Co., the Agricultural Adjustment Administration has announced.

Show cause orders were issued February 4 to the three Kansas City, Kansas, firms by Secretary of Agriculture Henry A. Wallace. Answers must be returned on or before February 11, 1935.

The Greenhill's Dairy Farm is alleged to have violated the license by refusal to pay balances due on the adjustment account of the market equalization pool for the period April 1, 1934, to July 15, 1934; refusal to pay the 1 cent per hundredweight deduction for administration of the license, during the period March 17, 1934, to January 15, 1935; and violation of the minimum resale price schedule.

The Bridge's Creamery is charged with refusal to pay to the market administrator the deduction of 4 cents per hundredweight on milk delivered on and after April 1, 1934, for supervision of the license and for market services; refusal to pay the required sums to the adjustment account maintained alike for all distributors, and failure to render required reports since November 1, 1934, to January 15, 1935. This firm is also charged with failure to pay for the purchased milk according to the use basis and marketing plan established by the license, by purchasing from new producers without first obtaining a permit from the market administrator, and failure to report to the market administrator concerning the same.

The Country Club Dairy Co. is charged with refusal to pay the market administrator the balances due on the adjustment account for the periods July 1, 1934, to December 31, 1934.

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OFF-SHORE ENTRIES OF SUGAR TONNAGE IN JANUARY

January entries of sugar for consumption in the United States from Cuba, the Philippines, Puerto Rico, the Virgin Islands and Hawaii totalled 751,786 short tons, raw value, and have been charged against the 1935 quota for those areas, the Sugar Section of the Agricultural Adjustment Administration has announced.

The report, covering sugar entered from January 1 to February 1, showed that the entries represented 16.8 percent of the total of 4,454,019 tons admissible from those areas in 1935. The Sugar Section plans to issue similar reports each month, indicating the totals of entries against 1935 quotas.

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AAA REORGANIZATION ANNOUNCED BY ADMINISTRATOR

Reorganization of the Agricultural Adjustment Administration was announced on February 5 by Chester C. Davis, Administrator. He announced that the reorganization follows several months of study of ways and means to make the Administration a more efficient operating unit of the Department of Agriculture. The reorganization will consolidate the AAA legal division with the office of the Solicitor of the Department of Agriculture, will subdivide the Commodities Division into several smaller divisions reporting directly to the Administrator's office, and set up an operating council headed by the Secretary of Agriculture and the Administrator, with other executives as members.

Effective at once and in conformity with the practice otherwise obtaining in the Department of Agriculture, the legal work of the Agricultural Adjustment Administration will be performed under the supervision and direction of the Solicitor of the Department.

In addition to the Secretary of Agriculture and the Administrator, members of the operating council with their divisions include A. G. Black, in charge of all livestock, including corn-hogs, cattle and sheep; Ward M. Buckles, finance, with the office of the comptroller transferred under his direction; Cully A. Cobb, cotton; Victor A. Christgau, commodities purchase, agricultural labor, drought and other emergency programs; J. B. Hutson, tobacco, sugar, peanuts and rice; Goerge E. Farrell, wheat, flax, barley, rye and other grains; Alfred D. Stedman, information; Jesse W. Tapp, dairy and other marketing agreements and licenses, general crops and field investigation; H. R. Tolley, planning; Seth Thomas, Solicitor of the Department of Agriculture.

The re-organization will group the sections of the Commodities Division into six smaller divisions, each covering closely related activities.

Dr. Calvin B. Hoover, who for more than a year has been economic adviser in the Agricultural Adjustment Administration, will succeed Dr. Frederic C. Howe as Consumers' Counsel of the Adjustment Administration. Dr. Hoover will assume complete charge at once of the work of current analyses of the economic effects upon consumers and producers of production programs and marketing agreements undertaken by the Administration, Mr. Davis announced.

Mr. Davis and Dr. Hoover have discussed plans to begin immediately assembling information already on file with the Adjustment Administration concerning the effects of A.A.A. programs on consumers and producers, so that the data will be of the greatest use in shaping future programs for the benefit of producers and consumers.

While Dr. Hoover will take complete charge of this work at once, his appointment as Consumers' Counsel will not be made formally effective until Dr. Frederic C. Howe is reassigned, and Dr. Howe will continue, for the present and until given a special assignment, to direct the other activities of the Consumers' Counsel's office.

Dr. Hoover is now serving the Agricultural Adjustment Administration on leave of absence from Duke University, where he is professor of economics. As Consumers' Counsel, Dr. Hoover will become a member of the operating council of the Adjustment Administration. The operating council is composed of the Secretary of Agriculture, the Administrator, and the heads of the divisions of the Administration.

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